

As a result of this calculation, the Coes are entitled to a \$175 moving expense deduction. Only the travel and lodging en route can be claimed on line 2. The security deposit and the meals are not deductible expenses. In addition, the dislocation allowance is netted against dislocation expenses. If the dislocation expenses exceeded the dislocation allowance, the Coes would have to report the difference as an additional moving expense. Here are the correct answers for each line:

Moving Expenses

► Attach to Form 1040.

OMB No. 1545-0062

2005

Attachment
Sequence No. **62**

Your social security number

Before you begin: ✓ See the **Distance Test** and **Time Test** in the instructions to find out if you can deduct your moving expenses.
✓ See **Members of the Armed Forces** on the back of the form, if applicable.

- | | | | | |
|---|---|---|--|--|
| 1 | Transportation and storage of household goods and personal effects (see instructions) | 1 | | |
| 2 | Travel (including lodging) from your old home to your new home (see instructions). Do not include the cost of meals | 2 | | |
| 3 | Add lines 1 and 2 | 3 | | |
| 4 | Enter the total amount your employer paid you for the expenses listed on lines 1 and 2 that is not included in box 1 of your Form W-2 (wages). This amount should be shown in box 12 of your Form W-2 with code P | 4 | | |
| 5 | Is line 3 more than line 4?

<input type="checkbox"/> No. You cannot deduct your moving expenses. If line 3 is less than line 4, subtract line 3 from line 4 and include the result on Form 1040, line 7.

<input type="checkbox"/> Yes. Moving expense deduction. Subtract line 4 from line 3. Enter the result here and on Form 1040, line 26 | 5 | | |

General Instructions

What's New

For 2005, the standard mileage rate for using your vehicle to move to a new home is 15 cents a mile.

Purpose of Form

Use Form 3903 to figure your moving expense deduction for a move related to the start of work at a new principal place of work (workplace). If the new workplace is outside the United States or its possessions, you must be a U.S. citizen or resident alien to deduct your expenses.

If you qualify to deduct expenses for more than one move, use a separate Form 3903 for each move.

For more details, see Pub. 521, Moving Expenses.

Who Can Deduct Moving Expenses

If you move to a new home because of a new principal workplace, you may be able to deduct your moving expenses whether you are self-employed or an employee. But you must meet both the distance test and time test that follow.

TIP *Members of the Armed Forces may not have to meet these tests. See instructions on back.*

Distance Test

Your new principal workplace must be at least 50 miles farther from your old home than your old workplace was. For example, if your old workplace was 3 miles from your old home, your new workplace must

be at least 53 miles from that home. If you did not have an old workplace, your new workplace must be at least 50 miles from your old home. The distance between the two points is the shortest of the more commonly traveled routes between them.

You do not have to meet the distance test if you are in the Armed Forces and the move is due to a permanent change of station (see instructions on back).

TIP *To see if you meet the distance test, you can use the worksheet below.*

Distance Test Worksheet

Keep a Copy for Your Records



- | | | | |
|--|--|----|-------------|
| 1. | Number of miles from your old home to your new workplace | 1. | _____ miles |
| 2. | Number of miles from your old home to your old workplace | 2. | _____ miles |
| 3. | Subtract line 2 from line 1. If zero or less, enter -0- | 3. | _____ miles |
| Is line 3 at least 50 miles?
<input type="checkbox"/> Yes. You meet this test.
<input type="checkbox"/> No. You do not meet this test. You cannot deduct your moving expenses. Do not complete Form 3903. | | | |